



# Application Instructions — 2009

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## Eligibility Requirements

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### Employers

- Business is located and operates in Tennessee as its principal place of business
- Business has 50 or fewer full-time equivalent employees
- 50 percent of its employees earn \$55,000 or less per year
- Business offers plan to all employees
- Business must pay at least one-third share of premium
- Employer must either:
  - » have not offered employer-sponsored health insurance in the last six months, or
  - » if offered, the employer has not paid 50 percent or more of the employee's premium.\*

### Employees at Participating Employers

(If the employer qualifies, the employee qualifies regardless of income.)

- Works at least 20 hours per week, on average
- A U.S. Citizen or qualified legal alien
- 19 years old or older
- Have not had health insurance in the last six months (individual or group coverage)\*
- Must agree to pay one-third share of premium

### Employees at Non-Participating Employers

- Must live in Tennessee (six months)
- A U.S. Citizen or qualified legal alien
- 19 years old or older
- Works at least 20 hours per week, on average
- Earns \$55,000 or less per year
- Works for a company that does not offer CoverTN
- Have not had health insurance in the last six months (individual or group coverage)\*
- Must agree to pay two-thirds share of premium

### Self-Employed Individuals

To qualify as self-employed, you must be in business for yourself or an independent contractor and your business does not have other employees.

- Must live in Tennessee (six months)
- A U.S. Citizen or qualified legal alien
- 19 years old or older
- Works at least 20 hours per week, on average
- Earns \$55,000 or less per year in adjusted gross income
- Have not had health insurance in the last six months (individual or group coverage)\*
- Must agree to pay two-thirds share of premium

### Tennesseans Between Jobs

- Worked at least one 20 hour week in the last six months, or had work hours reduced to below 20 hours per week
- Unemployed in the last 6 months
- Earned \$55,000 or less per year
- Must live in Tennessee (six months)
- A U.S. Citizen or qualified legal alien
- 19 years old or older
- Does not currently have health insurance
- Must agree to pay two-thirds share of premium

### Spouse coverage

If also eligible, an employee's spouse may enroll. In order for the spouse to qualify, the spouse must meet the following eligibility requirements. However, the employer does not have to pay for any part of the spouse's premium.

The employee must pay whatever portion of the spouse's premium that the employer does not cover. **The State will not pay any portion of the premiums for persons who do not live in Tennessee.**

- Must live in Tennessee (six months) or a bordering state
- A U.S. Citizen or qualified legal alien
- 19 years-old or older
- Have not had health insurance for the last six months\*
- Must agree to pay two-thirds share of premium

\* Exceptions may apply — see definitions on page 3

# Responsibilities

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## Employers

- You will offer CoverTN health insurance to all eligible current and new employees
  - » All current employees must enroll within 90 days of the business being approved for CoverTN by the State of Tennessee or wait until open enrollment
  - » All newly hired employees and those employees required to go bare must enroll within 30 days of date of becoming eligible
- You will not impose a waiting period (also referred to as a probationary period or eligibility waiting period) on employees before becoming eligible for CoverTN
- You will pay one-third of your employee's total premium
- You will withhold the employee's one-third share of premium through payroll deduction and then remit both the employer's one-third share and the employee's one-third share of the premium each month to BlueCross BlueShield of Tennessee through Electronic Funds Transfer
- You will inform the State if you have reason to believe that one or more of your employees made factual misrepresentations in order to enroll in CoverTN
- You will refuse anything of value from any CoverTN health plan (except incentives for premium pre-payments)
- You will cooperate with any audits and investigations by providing payroll records, tax and accounting information, etc. as requested by the State or its contracted agents or vendors
- You will provide updated information to the State in the event that you:
  - » Change your address or principal place of operation
  - » No longer satisfy the eligibility requirements of the CoverTN program
  - » Change incorporation status, corporate structure or ownership (e.g. due to sale, transfer or liquidation of enterprise, etc.)

## Self-Employed, Employees at Non-Participating Employers and Tennesseans Between Jobs

- You will pay two-thirds of the premium each month
- You will refuse anything of value from any CoverTN health plan (except incentives for premium pre-payments)
- You will cooperate with any audits and investigations by providing income, tax and accounting information, etc. as requested by the State or its contracted agents or vendors
- You will provide updated information to the State in the event that you:
  - » Move
  - » Change jobs
  - » Change your address or principal place of operation
  - » No longer satisfy the eligibility requirements of the CoverTN program
  - » Change incorporation status, corporate structure, or ownership (e.g. due to sale, transfer or liquidation of enterprise, etc.)

## Definitions

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**"Business Type"** identifies your company's major business activity. Please select from the following list and indicate the Business Type and Code on your application.

Code	Business Type	Code	Business Type
11	Agriculture, Forestry, Fishing and Hunting	53	Real Estate and Rental and Leasing
21	Mining	54	Professional, Scientific and Technical Services
22	Utilities	55	Management of Companies and Enterprises
23	Construction	56	Administrative and Support and Waste Management and Remediation
31	Manufacturing	61	Educational Services
42	Wholesale Trade	62	Health Care and Social Assistance
44	Retail Trade	71	Arts, Entertainment and Recreation
48	Transportation and Warehousing	72	Accommodation and Food Services
51	Information	81	Other Services (except Public Administration)
52	Finance and Insurance	92	Public Administration

**"Carve-out"** is a group health insurance plan that provides health insurance to certain classes of employees (i.e. managers only, owners only, salaried employees only, etc.). Businesses that have a carve-out plan for certain classes of employees may offer CoverTN to those employees excluded from the carve-out plan.

**“Employee at Non-Participating Employer”** means that you work for a business that does not offer employer-sponsored health insurance or CoverTN and you meet the eligibility requirements (see Employee at Non-Participating Employer eligibility requirements).

**“Family Owned and Operated Business”** is one in which services are performed by an individual in the employ of his son, daughter, or spouse, and services performed by a child under the age of 18 in the employ of his father or mother.

**“Federal Employer Identification Number”** (FEIN) is a nine (9) digit number (xx-xxxxxx) assigned by the Internal Revenue Service (IRS) to businesses that are required to file tax returns including corporations, partnerships, non-profit organizations, sole proprietors, government bodies, churches, trusts and estates. If you do not have an FEIN, your Social Security Number (SSN) may be substituted.

**“Full-Time Equivalent Employee”** is any combination(s) of employees that total 40 hours per week. For example, one employee that works 40 hours per week counts as one full-time equivalent employee. Two part-time employees that each work 20 hours per week also count as one full-time equivalent employee. Four part-time employees that each work ten hours per week also count as one full-time equivalent employee.

**“Go Bare”** requirement means that an individual who loses health insurance coverage must wait or “go bare” for six months before being able to enroll in CoverTN. Exceptions to the “go bare” requirement include:

- You were on TennCare during the past six months
- You were in the Armed Forces during the past six months
- You had an Involuntary Loss of Coverage
- You were on CoverKids during the past six months

**“Insurance Agent”** is the name of your insurance agent.

**“Involuntary Loss of Coverage”** means that you did not choose to stop your health benefits. An Involuntary Loss of Coverage allows you to enroll in CoverTN without having to meet the six-month go-bare requirement. Following are Involuntary Loss of Coverage Exceptions, please find the application type that applies to you and indicate the exception reason code on your application.

#### **Business**

B01	A health insurance carrier’s cancellation of group or individual health benefits coverage for reasons other than premium non-payment, fraud, or misrepresentation
B02	A health insurance carrier’s decision to no longer sell small group health benefits coverage
B03	Coverage offered is a carve-out plan
B04	Employer does not pay 50 percent or more of the employee’s premium
B05	None of the above

#### **Local County Government**

No code	A health insurance carrier’s cancellation of group or individual health benefits coverage for reasons other than premium non-payment, fraud, or misrepresentation
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#### **Self-Employed Individual, Employees at Non-Participating Employers and Tennesseans Between Jobs**

EX01	A separation from employment, voluntary or involuntary
EX02	A health insurance carrier’s cancellation of group or individual health benefits coverage for reasons other than premium non-payment, fraud or misrepresentation
EX03	A health insurance carrier’s decision to no longer sell small group health benefits coverage
EX04	Loss of TennCare eligibility
EX05	Loss of CoverKids eligibility
EX06	You or your spouse had coverage as a member of the Armed Forces in the past six months
EX07	You or your spouse’s health insurance coverage has an annual deductible of \$15,000 or more
EX08	You or your spouse declined or exhausted COBRA
EX09	Death/Divorce
EX10	Spouse became eligible for Medicare
EX11	None of the above
EX12	Loss of eligibility due to reduction in work hours (Tennesseans Between Jobs only)

**“Partnership”** is the relationship existing between two or more persons who join to carry on a trade or business. Partners are not employees and should not be issued a Form W-2.

**“Qualified Alien”** means that an employee is not a U.S. citizen but lives in the United States legally. To be a qualified alien, he or she must also meet other conditions. These conditions are defined in federal law at 8 U.S. C. § 1622(b). If he or she is not a U.S. citizen or qualified alien, then he or she cannot enroll in CoverTN.

**“Self-Employed”** means that you are in business for yourself or an independent contractor and your business does not have other employees. Self-employed applicants, to be eligible for CoverTN, must be able to show income from the business equal to at least 20 hours per week at minimum wage, about \$6,800 per year.

**“State Account Number”** is an eight (8) digit number (xxxx-xxx-x) assigned by the Department of Labor and Workforce Development that is used for the quarterly reports regarding all premium and benefit information (e.g. unemployment insurance) submitted to the department. In general, if your business has an FEIN and employs one or more persons (other than the owner), then you should have a State Account Number. There are a few exceptions, which are listed on the application. Please check the exception that applies to your business. If none of the exceptions apply to your business, you must obtain a State Account Number from the Department of Labor and Workforce Development (615.741.2486) before you can submit your Verification Application.

**“Voluntary Loss of Coverage”** means that you chose to drop your health insurance coverage and are required to go bare six-months before becoming eligible to apply for CoverTN.

**“Work More than 20 Hours”** means that he or she works (on average) at least half-time. However, his or her hours may vary from week to week. He or she does not have to work 20 hours every week in order to qualify.